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Tami L. Guy et al.
Atty Dkt 10013329-1

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REMARKS

Claims 1-23 were pending in the application prior to this response. Claims 13, 15, 19 and 22 have been amended herein. Claims 14, 16, 20, 21 and 23 have been canceled. Claims 1-12, 17 and 18 remain in the application unchanged by this response. Reexamination and reconsideration are requested.

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I. Rejection of Claims 1-23 under 35 U.S.C. §101

Claims 1-23 stand rejected under 35 U.S.C. §101 as being unpatentable over Webber, Jr. (U.S. 6,167,378). Reconsideration of the Examiner's rejection is respectfully requested.

The Examiner states the following on pages 2-3 of the Office action:

The claims are directed to nothing more than abstract ideas. To be [eligible] for a patent, claims that set forth subject matter excluded by a judicial exception (i.e. abstract idea) must be for a practical application. A practical application results if the claimed invention transforms an article or physical object to a different state or thing or if the claimed invention produces a useful, concrete or tangible result.

The Examiner concludes that applicants' claims do not meet these criteria and, thus, do not constitute statutory subject matter under 35 U.S.C. §101. For the reasons set forth below, applicants respectfully disagree with the Examiner's position.

35 U.S.C. §101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

The Court of Appeals for the Federal Circuit has interpreted this section, for example, as follows:

The plain and unambiguous meaning of Section 101 is that any invention falling within one of the four stated categories of statutory subject matter may be patented, provided it meets the other requirements for patentability set forth in Title 35, i.e., those found in Sections 102, 103, and 112, Para.2.

The repetitive use of the expansive term "any" in Section 101

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shows Congress's intent not to place any restrictions on the subject matter for which a patent may be obtained beyond those specifically recited in Section 101. Indeed, the Supreme Court has acknowledged that Congress intended Section 101 to extend to "anything under the sun that is made by man." *Diamond v. Chakrabarty*, 447 U.S. 303, 309, 206 USPQ 193 (1980); see also *Diamond v. Diehr*, 450 U.S. 175, 182, 209 USPQ 1 (1981). Thus, it is improper to read limitations into Section 101 on the subject matter that may be patented where the legislative history indicates that Congress clearly did not intend such limitations. See *Chakrabarty*, 447 U.S. at 308 ("We have also cautioned that courts 'should not read into the patent laws limitations and conditions which the legislature has not expressed.'") (citations omitted)).

State Street Bank & Trust Co. v. Signature Financial Group Inc., 47 USPQ2d 1596, 1600 (Fed. Cir. 1998)

Accordingly, the Court of Appeals for the Federal Circuit has adopted an extremely broad definition of "statutory subject matter". The Supreme Court, however, has identified three categories of subject matter that are *not* patentable, namely laws of nature, natural phenomena, and abstract ideas. See *Id.* In the present case, it appears that the Examiner is taking the position that applicants' claims fall within the "abstract ideas" category and, thus, are unpatentable. Applicants point out, however, that subject matter does not represent a mere abstract idea if the subject matter has been reduced to a practical application, i.e., "a useful, concrete and tangible result". *Id.* at 1600-1601 (citing *In re Alappat*, 31 USPQ2d 1545 at 1557 (Fed. Cir. 1994)).

Applicants' claim 1 recites the following:

A method for a first organization to do business comprising:
entering into a contractual relationship with a second
organization;
authorizing said second organization to take an order from a

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customer, said order comprising at least one of:

- products not produced by said first organization, and
- services not provided by said first organization;
- receiving payment directly from said customer as a payment for said order taken by said second organization;
- requiring an organization other than said first organization to ship products not produced by said first organization to said customer;
- requiring an organization other than said first organization to provide services to said customer.

Applicants' claim encompasses a business structure which clearly represents "a useful, concrete and tangible result" and, thus, is directed to statutory subject matter. The advantages (and, thus, the usefulness) of applicants' invention are extensively discussed in the written description of the application, for example, at page 42, line 11 through page 43, line 25.

In *State Street Bank*, the Federal Circuit concluded that the subject matter in question was, indeed statutory:

Today, we hold that the transformation of data, representing discrete dollar amounts, by a machine through a series of mathematical calculations into a final share price, constitutes a practical application of a mathematical algorithm, formula, or calculation, because it produces "a useful, concrete and tangible result"—a final share price momentarily fixed for recording and reporting purposes and even accepted and relied upon by regulatory authorities and in subsequent trades.

47 USPQ2d at 1601

In *In re Alappat*, 31 USPQ2d 1545 at 1557 (Fed. Cir. 1994) (cited by the Examiner), the Federal Circuit also found statutory subject matter:

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... the claimed invention as a whole is directed to a combination of interrelated elements which combine to form a machine for converting discrete waveform data samples into anti-aliased pixel illumination intensity data to be displayed on a display means. This is not a disembodied mathematical concept which may be characterized as an "abstract idea," but rather a specific machine to produce a useful, concrete, and tangible result.

31 USQP2d at 1557

It is respectfully asserted that applicants' invention embodies a result at least as useful, concrete and tangible as those considered in *State Street Bank* ("the transformation of data, representing discrete dollar amounts, by a machine through a series of mathematical calculations into a final share price") and in *In re Alappat* ("a combination of interrelated elements which combine to form a machine for converting discrete waveform data samples into anti-aliased pixel illumination intensity data") as discussed above.

It is noted that the Examiner, in explaining the present rejection, states the following:

As to claim 1, the claim is directed to a method of doing business comprising entering into a contract relationship between organizations and authorizing the various entities to perform certain functions. However, the claim is not directed to processing an order or transaction.

(Office action, page 3)

The relevance of the Examiner's statement is not understood since, as discussed above, the proper inquiry is whether or not a useful, concrete and tangible result is produced and not whether the claim is "directed to processing an order or transaction". Further, applicants point out that claim 1, contrary to the Examiner suggestion, does recite limitations related to

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processing an order, e.g.:

authorizing said second organization to take an order from a customer...;

receiving payment directly from said customer as a payment for said order ...;

requiring an organization other than said first organization to ship products...; and

requiring an organization other than said first organization to provide services...

If the Examiner intends to persist in the current rejection, then applicants respectfully request that the Examiner explain, with specificity, why it is believed that applicants' invention fails to produce a useful, concrete and tangible result.

[T]he examiner bears the initial burden, on review of the prior art or on any other ground, of presenting a *prima facie* case of unpatentability. If that burden is met, the burden of coming forward with evidence or argument shifts to the applicant.... If examination at the initial stage does not produce a *prima facie* case of unpatentability, then without more the applicant is entitled to grant of the patent.

In re Oetiker, 977 F.2d 1443, 1445, 24 USPQ2d 1443, 1444 (Fed. Cir. 1992). This case is discussed, for example, in MPEP Section 2107.02.

MPEP 2106 II A elaborates on this issue, setting forth the following:

A process that consists solely of the manipulation of an abstract idea is not concrete or tangible.... Office personnel have the burden to

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establish a *prima facie* case that the claimed invention as a whole is directed to solely an abstract idea or to manipulation of abstract ideas or does not produce a useful result. Only when the claim is devoid of any limitation to a practical application in the technological arts should it be rejected under 35 U.S.C. 101.... Further, when such a rejection is made, Office personnel must expressly state how the language of the claims has been interpreted to support the rejection.

(bold emphasis added)

Applicants respectfully assert that the Examiner has failed to establish a *prima facie* case of unpatentability with respect to claim 1.

Independent claims 13, 18 and 19 are allowable at least for the reasons advanced above with respect to claim 1. Claims 2-12, 14-17 and 20-23 are allowable at least as ultimately depending from their respective allowable base claims.

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II. Rejection of Claim 13 under 35 U.S.C. §102(b)

Claim 13 stands rejected under 35 U.S.C. §102(b) as being anticipated by Sharp et al. (U.S. Patent No. 6,263,317) ("Sharp"). Reconsideration of the Examiner's rejection is respectfully requested.

Claim 13 has been amended herein to include the limitations of dependent claims 14 and 16. Claims 14 and 16 have been canceled. Claim 15 has been amended to depend from claim 13 rather than from canceled claim 14.

Since the Examiner has not rejected either claim 14 or claim 16 as being anticipated by Sharp, the amendment to claim 13 discussed above is believed to overcome the instant rejection.

III. Rejection of Claims 1-6 and 8-12

Claims 1-6 and 8-12 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Sharp et al. (U.S. Patent No. 6,263,317) ("Sharp") in view of Radosevich et al., "IT eyes reseller channel changes" ("Radosevich").

Applicants' claim 1 recites the following:

A method for a first organization to do business comprising:
entering into a contractual relationship with a second organization;
authorizing said second organization to take an order from a customer, said order comprising at least one of:
products not produced by said first organization, and services not provided by said first organization;
receiving payment directly from said customer as a payment for said order taken by said second organization;
requiring an organization other than said first organization to

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ship products not produced by said first organization to said customer;
requiring an organization other than said first organization to provide services to said customer.

Claim 1 recites the following:

receiving payment directly from said customer as a payment for said order taken by said second organization;

Sharp does not disclose or suggest that the first organization receives payment directly from the customer. On page 6 of the Office action, the Examiner asserts that this limitation is met by Sharp and points to col. 4, lines 2-4 in support of this position. This portion of the Sharp reference is reproduced as follows:

information, all in stage 309. The credit card or other payment information submitted by the customer is verified and processed in stage 312. If verification for the payment

Although this excerpt from Sharp generally discusses credit card payment information, there is no disclosure or suggestion that the first organization receives payment directly from the customer as required by claim 1. Radosevich does nothing to remedy the inadequacy of Sharp.

Claim 1 further recites the following:

requiring an organization other than said first organization to ship products not produced by said first organization to said customer;

Sharp does not disclose or suggest that the first organization requires

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an organization other than said first organization to ship products not produced by said first organization. On page 6 of the Office action, the Examiner asserts that this limitation is met by Sharp and points to col. 4, lines 36-55 in support of this position. This portion of the Sharp reference is reproduced as follows:

An airbill, packing slip and other shipment information are then generated by server computer 110 in stage 351 and an order ship timer for the supplier is started in stage 363. In stage 354, the supplier prints the airbill, packing slip and shipment confirmation information form using distributor computer 140 or manufacturer computer 130. All shipping materials generated in stages 351 and 354 reflect the owner of the website as the shipping party, regardless of the distribution channel actually used to ship the product, making the actual distribution channel conflict resolution process transparent to the user. The supplier then attaches the airbill and packing slip to the shipment in stage 357. The supplier completes the order confirmation form on the website in stage 360. Stage 366 then determines whether the supplier entered shipment confirmation information on for the product on time, in which case operation 300 proceeds to stage 372. Otherwise, a missed opportunity letter is sent to the supplier in stage 369 and stages 321-366 are repeated until the order is accepted and the corresponding product is shipped on time.

This portion of Sharp does not discuss products not produced by the first organization. Again, Radosevich does nothing to remedy the inadequacy of Sharp.

Claim 1 further recites the following:

entering into a contractual relationship with a second organization;

The Examiner takes the position that this limitation is taught by Radosevich (Office action, pages 6-7) and that, therefore, it would be obvious

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to modify Sharp accordingly. Specifically, the Examiner states the following on page 7 of the Office action:

However, Radosevich discloses entering into a contractual relationship with a second organization (i.e. reseller agreements)(page 1).

Rod uses term "reseller agreements" in the following context (bottom of page 1 of the Radosevich reference):

"If I were an IT manager today, I would very carefully review any reseller agreements I had in place. I would do competitive pricing and put them out for RFP [Request For Price] bid, and I would do it every six months as the market shakes out," said Julie Giera, an analyst at Giga Information Group, in Cambridge, Mass.

Clearly, the reseller agreements discussed above in Radosevich are agreements between the reseller and the customer (IT manager), *not* agreements between the first organization and the second organization, as recited in claim 1. Accordingly, applying the teaching of Radosevich to the Sharp disclosure does not yield the limitation in question.

For the reasons advanced above applicants respectfully assert that all of the limitations of claim 1 are not met by the proposed combination of the Sharp and Radosevich references and that, accordingly, a *prima facie* case of obviousness has not been established.

Applicants further respectfully assert that a *prima facie* case of obviousness has not been established because there is no suggestion or motivation to combine the reference teachings as proposed by the Examiner.

"It is insufficient to establish obviousness that the separate elements of the invention existed in the prior art, absent some teaching or

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suggestion, in the prior art, to combine the elements."

Arkie Lures, Inc. v. Gene Larew Tackle, Inc., 119 F.3d 953, 957, 43 USPQ2d 1294, 1297 (Fed. Cir. 1997).

Accordingly, claim 1 is believed to be in condition for allowance.

Claims 2-6 and 8-12 are allowable at least as ultimately depending from allowable base claim 1.

IV. Rejection of Claim 7

Claim 7 stands rejected under 35 U.S.C. §103(a) as being unpatentable over Sharp et al. (U.S. Patent No. 6,263,317) ("Sharp") in view of Radosevich et al., "IT eyes reseller channel changes" ("Radosevich") as applied to claim 1 and further in view of Hogan (U.S. Published Application No. 2001/0002464). Reconsideration of the Examiner's rejection is respectfully requested.

Claim 7 is allowable at least as ultimately depending from allowable base claim 1.

V. Rejection of Claims 14 and 15

Claims 14 and 15 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Sharp et al. (U.S. Patent No. 6,263,317) ("Sharp") in view of Carpenter et al. (U.S. 6,868,401) ("Carpenter"). Reconsideration of the Examiner's rejection is respectfully requested.

As discussed above, claim 14 has been canceled herein and claim 15 has been amended to depend from claim 13, rather than from canceled claim 14.

Claim 15 is allowable at least as depending from allowable base claim

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13.

VI. Rejection of Claim 16

Claim 16 stands rejected under 35 U.S.C. §103(a) as being unpatentable over Sharp et al. (U.S. Patent No. 6,263,317) ("Sharp") in view of Carpenter et al. (U.S. 6,868,401) ("Carpenter") and further in view of Work et al. (Published U.S. Patent Application No. 2002/0007302) ("Work"). Reconsideration of the Examiner's rejection is respectfully requested.

As discussed above, independent claim 13 has been amended herein to include the limitations of dependent claims 14 and 16. Claims 14 and 16 have been canceled. Accordingly, the Examiner's rejection of claim 16 is discussed below with respect to amended claim 13.

Claim 13, as amended herein, recites the following:

A method for a first organization to do business comprising:
requiring a second organization to take an order for sales items on behalf of the first organization;
in response to a determination that the order includes a product distributed by a third organization sending an order for that product to the third organization;
requiring the third organization to ship the product directly to a customer's address;
requiring the third organization to notify the second organization when the product has been shipped,
wherein the product shipped by the third organization is less than all items distributed by the third organization that were on the order; and
requiring the third organization to notify the second organization

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when the order is incomplete and when the backlog for items on the order that were not shipped is longer than a predetermined number of days.

The text underlined above represents material added from dependent claims 14 and 16.

Applicants respectfully assert that the Examiner's rejection is improper because there is no motivation to combine the Sharp, Carpenter and Work references as proposed. "It is insufficient to establish obviousness that the separate elements of the invention existed in the prior art, absent some teaching or suggestion, in the prior art, to combine the elements." *Arkie Lures, Inc. v. Gene Larew Tackle, Inc.*, 119 F.3d 953, 957, 43 USPQ2d 1294, 1297 (Fed. Cir. 1997).

VII. Rejection of Claim 17

Claim 17 stands rejected under 35 U.S.C. §103(a) as being unpatentable over Sharp et al. (U.S. Patent No. 6,263,317) ("Sharp") in view of Work et al. (Published U.S. Patent Application No. 2002/0007302) ("Work"). Reconsideration of the Examiner's rejection is respectfully requested.

Claim 17 is allowable at least as depending from allowable base claim 13.

VIII. Rejection of Claim 18

Claim 18 stands rejected under 35 U.S.C. §103(a) as being unpatentable over Sharp et al. (U.S. Patent No. 6,263,317) ("Sharp") in view of Bremers (U.S. 6,901,380). Reconsideration of the Examiner's rejection is respectfully requested.

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Applicants' claim 18 recites the following:

A method for a first organization to do business comprising:
requiring a second organization to take an order for sales items
on behalf of the first organization;
in response to a determination that the order includes a product
distributed by a third organization sending an order for that product to
the third organization;
**requiring the third organization to notify the first
organization when the order exceeds a predetermined credit limit
of the second organization.**

The Examiner admits that Sharp fails to disclose the limitation highlighted above, but takes the position that this is taught by Bremers. The Examiner points to col. 9, lines 10-20 of Bremers in support of this position. This portion of the Bremers reference is reproduced as follows:

In an embodiment of the present invention, incoming orders may be processed by the business application 200 to detect and potentially resolve variances before being authorized and communicated to a vendor. Variances can be detected based on expected value (e.g., variances may include an order having an amount greater than a given credit limit or a lapsed shipping date). A notice of a variance may be presented to a business user for resolution (e.g., authorizing a higher credit limit or modifying the shipping date).

In this excerpt, the application 200 *detects and resolves* variances (e.g., exceeding a credit limit) *before* the order is communicated to the vendor. Thus, Bremer does not disclose that the vendor is notified when an order exceeds a credit limit. This is contrary to applicants' claim 18, which requires that the third organization notify the first organization when the order exceeds a predetermined credit limit of the second organization.

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For the reasons advanced above applicants respectfully assert that all of the limitations of claim 18 are not met by the proposed combination of the Sharp and Bremer references and that, accordingly, a *prima facie* case of obviousness has not been established.

Applicants further respectfully assert that a *prima facie* case of obviousness has not been established because there is no suggestion or motivation to combine the reference teachings as proposed by the Examiner.

"It is insufficient to establish obviousness that the separate elements of the invention existed in the prior art, absent some teaching or suggestion, in the prior art, to combine the elements."

Arkie Lures, Inc. v. Gene Larew Tackle, Inc., 119 F.3d 953, 957, 43 USPQ2d 1294, 1297 (Fed. Cir. 1997).

IX. Rejection of Claims 19-22

Claims 19-22 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Hogan (Published U.S. Patent Application No. 2001/0002464) in view of Radosevich et al., "IT eyes reseller channel changes" ("Radosevich"). Reconsideration of the Examiner's rejection is respectfully requested.

Independent claim 19 has been amended herein to include the limitations of dependent claims 20, 21 and 23. Claims 20, 21 and 23 have been canceled. Claim 22 has been amended to depend from claim 19 rather than from canceled claim 21.

Since the Examiner has not rejected claim 23 as being unpatentable over Hogan in view of Radosevich, the amendment to claim 19 discussed above is believed to overcome the instant rejection of claim 19.

Claim 22 is allowable at least as depending from allowable base claim 19.

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X. Rejection of Claim 23

Claim 23 stands rejected under 35 U.S.C. §103(a) as being unpatentable over Hogan (Published U.S. Patent Application No. 2001/0002464) in view of Radosevich et al., "IT eyes reseller channel changes" ("Radosevich") as applied to claim 21 and further in view of Carpenter et al. (U.S. 6,868,401) ("Carpenter"). Reconsideration of the Examiner's rejection is respectfully requested.

As discussed above, independent claim 19 has been amended herein to include the limitations of dependent claims 20, 21 and 23. Claims 20, 21 and 23 have been canceled. Accordingly, the Examiner's rejection of claim 23 is discussed below with respect to amended claim 19.

Claim 19, as amended herein, recites the following:

A method for a first organization to do business comprising:
in response to a determination that services in a service order taken by a second organization on behalf of the first organization is incomplete determining whether the service order includes support services; and
determining a billing strategy based upon whether or not the service order includes support services;
in response to a determination that the service order does not include support services determining whether the services ordered may be completed in less than a predetermined period of time;
determining a billing strategy based upon whether or not the services ordered may be completed in less than a predetermined period of time;
wherein it is determined that the services ordered may not be completed in less than the predetermined period of time and further

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comprising determining whether the services ordered are essential to the use of hardware included on the order; and
wherein it is determined that the services ordered are not essential to the use of hardware included on the order and further comprising invoicing the hardware portion of the order prior to completion of the services ordered.

The text underlined above represents material added from dependent claims 20, 21 and 23

Applicants respectfully assert that the Examiner's rejection is improper because there is no motivation to combine the Hogan, Radosevich and Carpenter references as proposed. "It is insufficient to establish obviousness that the separate elements of the invention existed in the prior art, absent some teaching or suggestion, in the prior art, to combine the elements." *Arkie Lures, Inc. v. Gene Larow Tackle, Inc.*, 119 F.3d 953, 957, 43 USPQ2d 1294, 1297 (Fed. Cir. 1997).

For the reasons advanced above, applicants respectfully assert that all of the claims are in condition for allowance.

Respectfully submitted,

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